

# Financial Statements 2007

13 February 2008

CEO Matti Rihko

Raisio plc

# Year 2007

## Continuing operations

- Turnover EUR 421.9 million (EUR 402.6 million)
- Operating result EUR 9.9 million (EUR -2,4 million)
- Impact of one-off items EUR 0.7 million (EUR -25.7 million)
- Operating result including one-off items EUR 10.6 million (EUR -28.1 million)
- Earnings/share EUR 0.05 (EUR -0.02)
- Equity ratio 77.9% (75.0%)
- Cash flow from business operations before investments EUR 15.6 million (EUR 15.1 million) despite nearly 10-million-euro increase in inventories caused by the high raw material prices

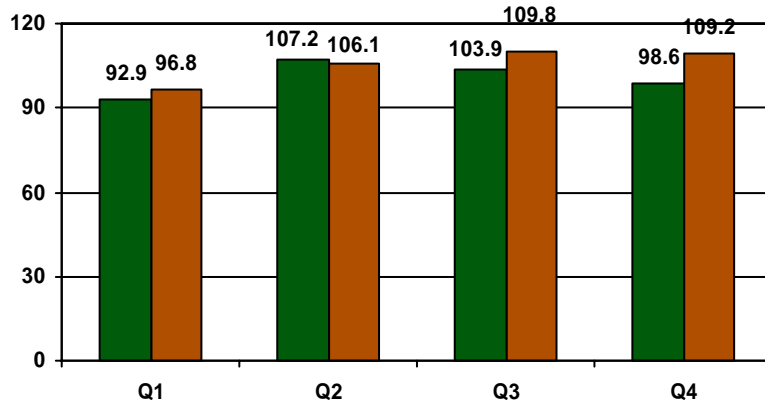
# Q4/2007

- Turnover increased by almost 11% and was EUR 109.2 million (EUR 98.6 million)
- Operating result improved and was excluding one-off items EUR 1.7 million (EUR -5.1 million)
- Cross-licensing with Unilever
- Divestment of special feed producer Monäs Feed
- Test marketing of Benecol in India
- Elovena brand wholly owned by Raisio after purchase of all Melia shares
- Sale of holding in GoGreen AB and milling company Rigas Dzirnavnieks to Lantmännen

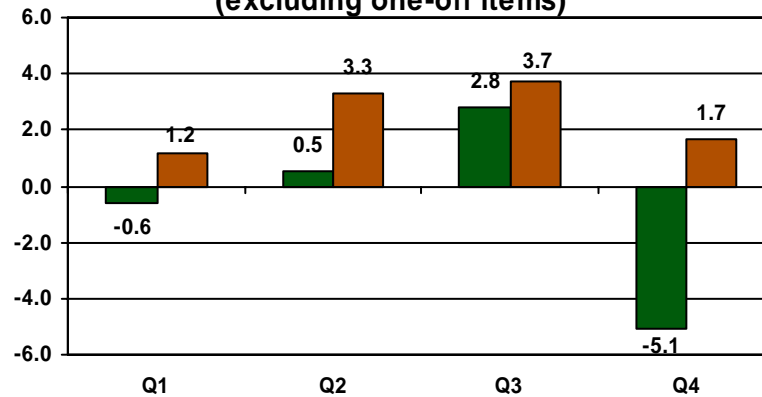
# Quarterly performance

## Continuing operations

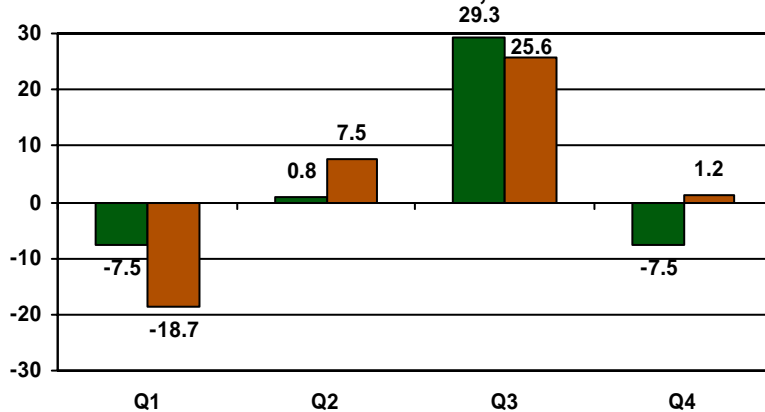
Turnover, EURm



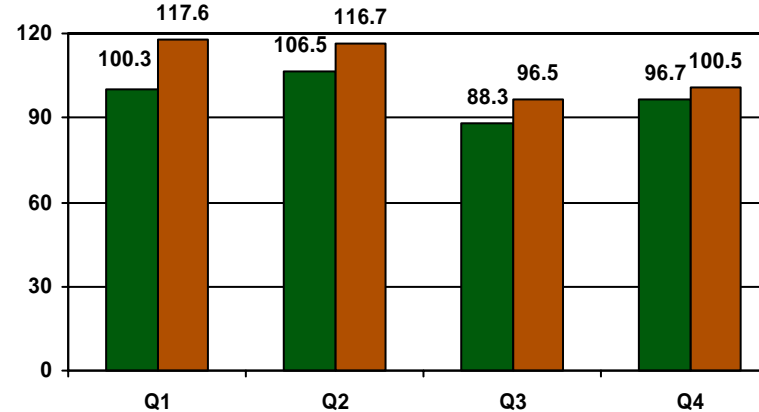
Operating result, EURm  
(excluding one-off items)



Cash flow from business operations  
before investments, EURm



NAV, EURm



■ 2006  
■ 2007

# What was done in 2007? (1/2)

## BETTER BUSINESS MODEL

- Pricing and pricing models renewed
- Result made less dependent on volatility in grain prices
- New business model into use: brands and commodities
- More efficient and less hierarchic organisation

## DEEPER FOCUS

- Divestments of Potato and Diagnostics businesses
- Sale of holding in the polish dairy, Obory
- Divestment of special feed producer Monäs Feed
- Joint ownership with Lantmännen dissolved

## DEVELOPMENT OF GRAIN CHAIN

- Direct invoicing of feed mixes
- Fixed price system in raw material purchases started  
– development of the system continues

# What was done in 2007? (2/2)

## CUTTING OVERCAPACITY

- Margarine production in Russia to a subcontractor
- Close of wheat and rye mills in Nokia
- Reduction in the number of stock-keeping units in Finland by 30%

## BRANDS

- Renewal of the brand portfolio in Finland: from 16 to 3 brands
- Consumer oriented operations: breakfast and snacks, spreads and baking worlds

## BENECOL

- Plant stanol ester and Benecol brand rights returned from McNeil
- Cross-licensing with Unilever
- Test marketing of Benecol in India

# Key figures

## Result, continuing operations

	10-12/2007	10-12/2006	2007	2006
Turnover, EURm	109.2	98.6	421.9	402.6
Operating result, EURm	1.7	-5.1	9.9	-2.4
% of turnover	1.6	-5.2	2.3	-0.6
Result before taxes, EURm	0.8	-4.8	8.8	-1.0
Earnings/share, EUR	0.02	-0.03	0.05	-0.02
Personnel in the end of the period			1,072	1,200

Figures excluding one-off items

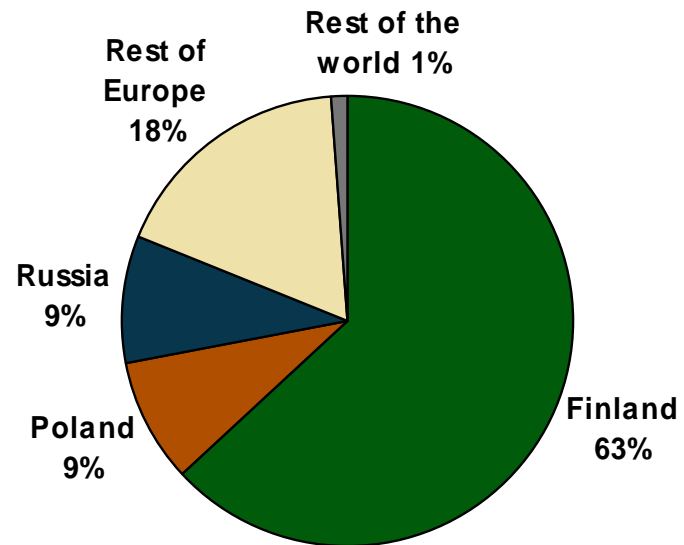
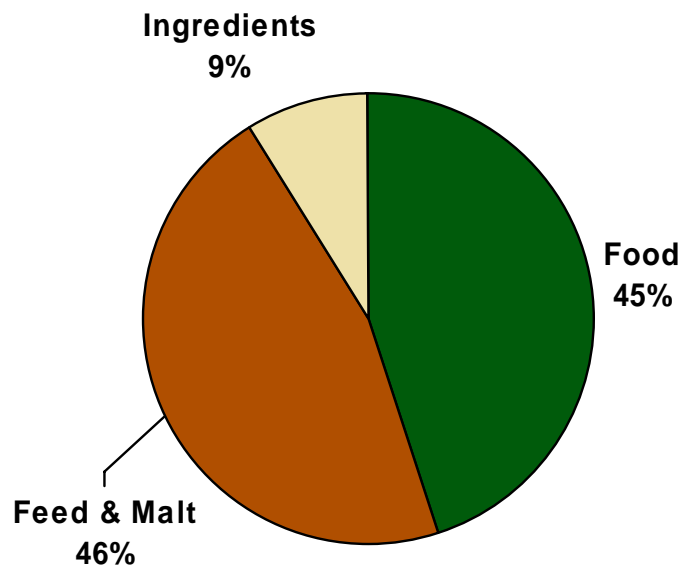
# Key figures

## Balance sheet

	31.12.2007	31.12.2006
Return on investment, %	3.6	-9.1
Equity ratio, %	77.9	75.0
Gearing, %	-12.5	-19.1
Equity/share, EUR	1.70	1.73
Equity, EURm	278.8	290.4
Total assets, EURm	360.3	387.4

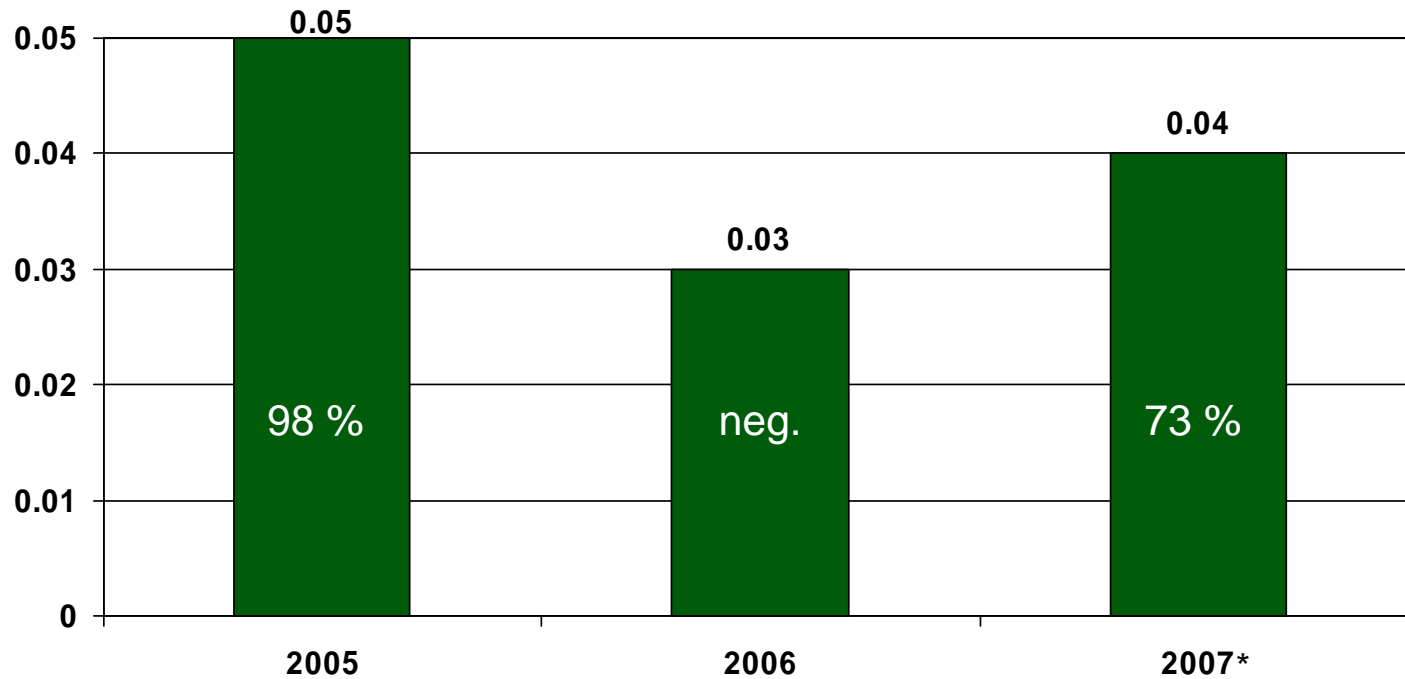


# Distribution of turnover



# Dividend and dividend/earnings (%)

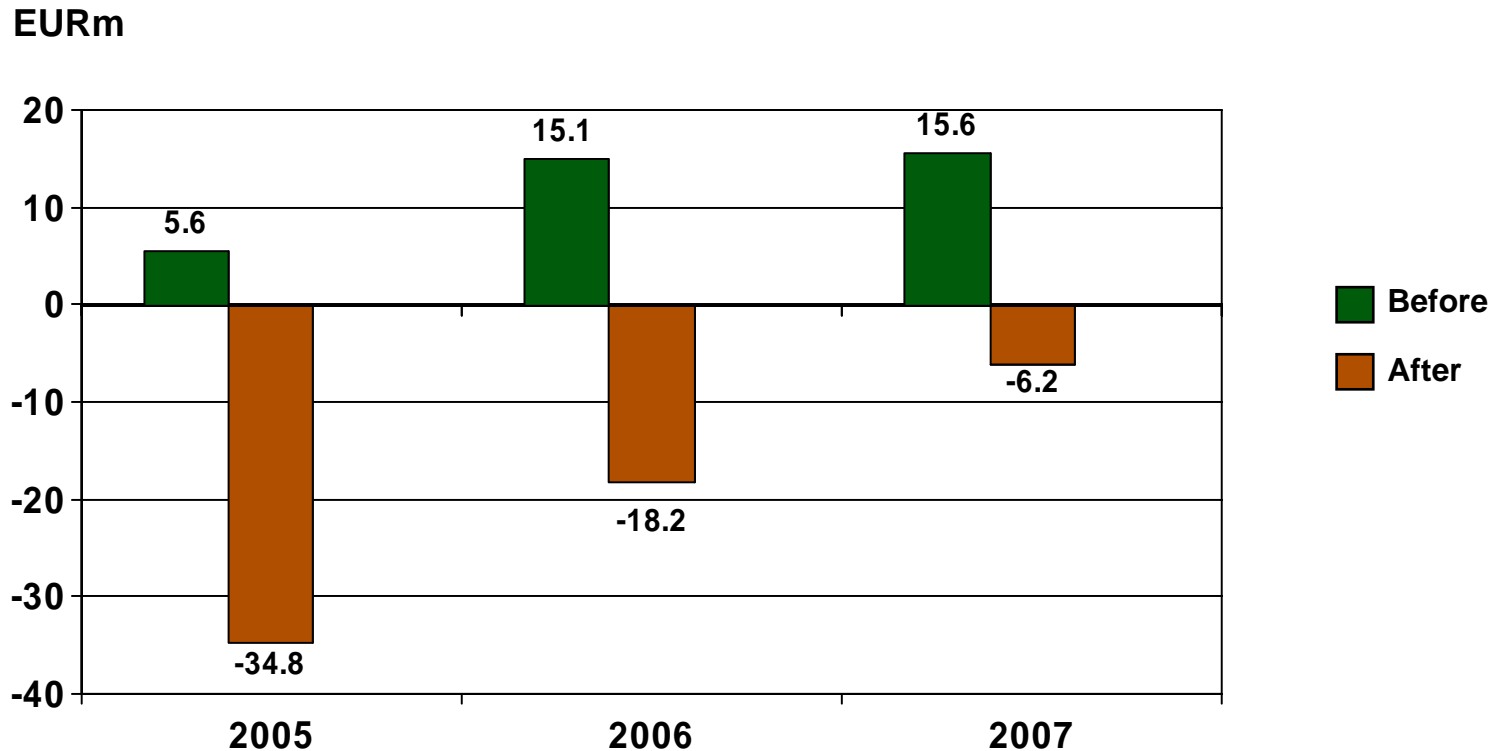
EUR



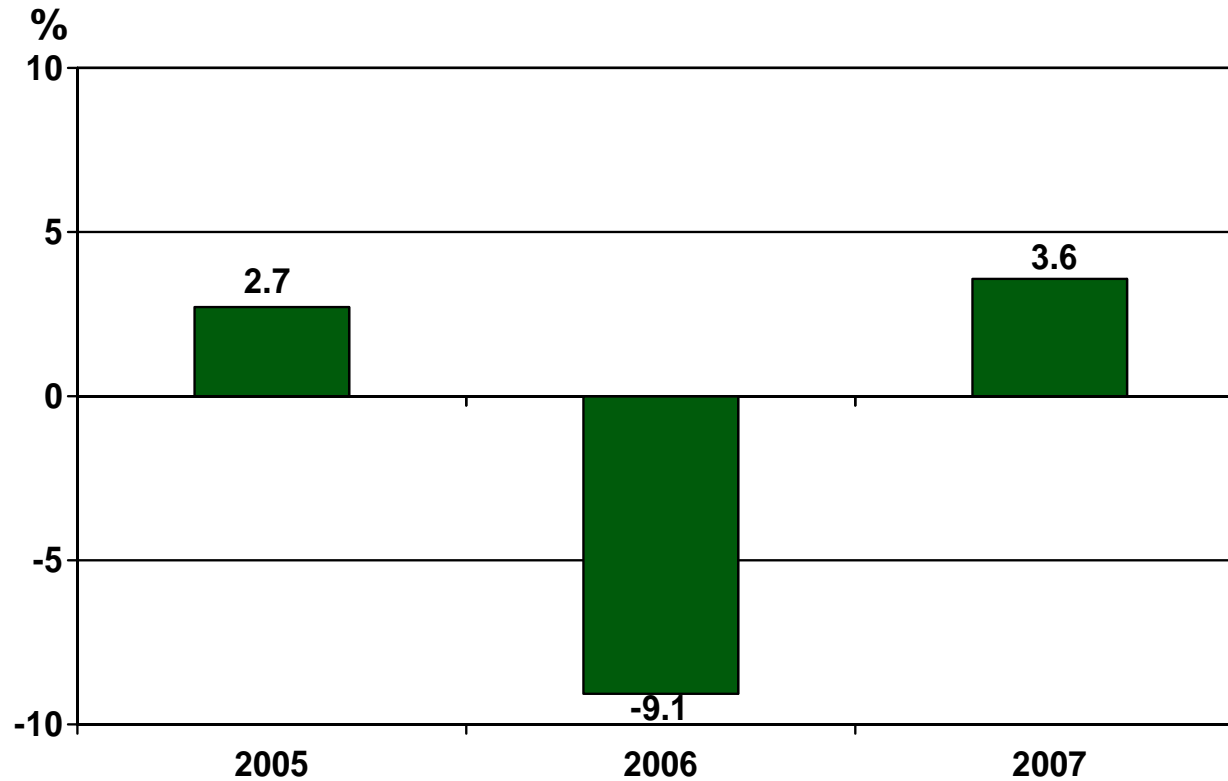
\*Dividend proposal of the Board of Directors

# Cash flow

(Before and after investments)



# Return on investment



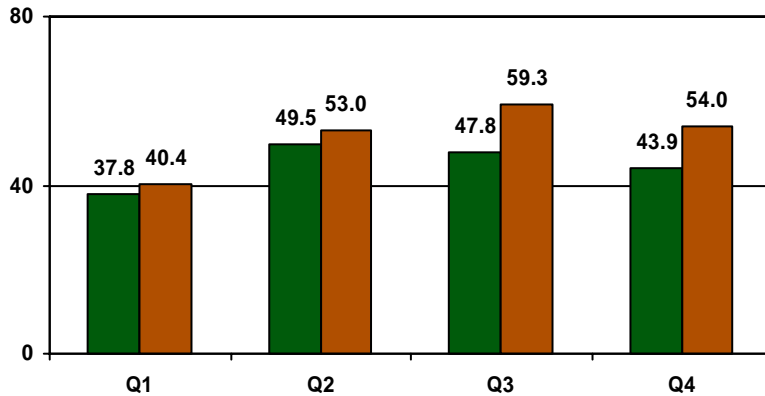
# Feed & Malt 2007

- Turnover EUR 206.7 million (EUR 179.0 million)
  - Growth in turnover resulted from increases in feed and malt prices
  - Total volume of feed mixes and malts on the previous year level
- Operating result excluding one-off items EUR 8.2 million (EUR 5.6 million)
  - Good performance in the malt business improved the operating result
- Model of direct invoicing of feed mixes stabilized
- Divestment of special feed producer Monäs Feed
- The structural changes of the business environment influenced the markets and further tightened competition

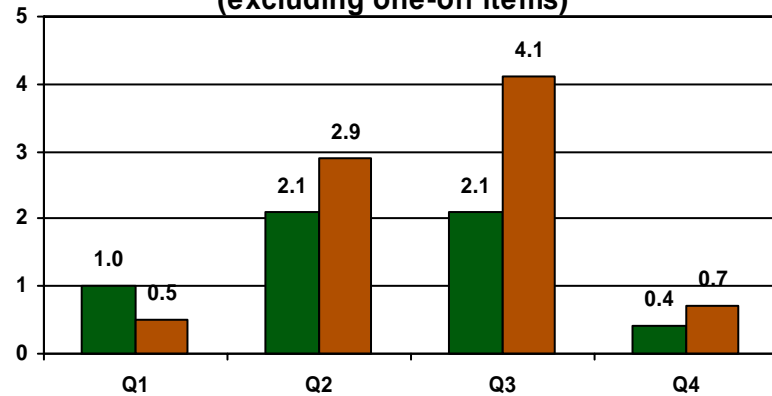


# Feed & Malt

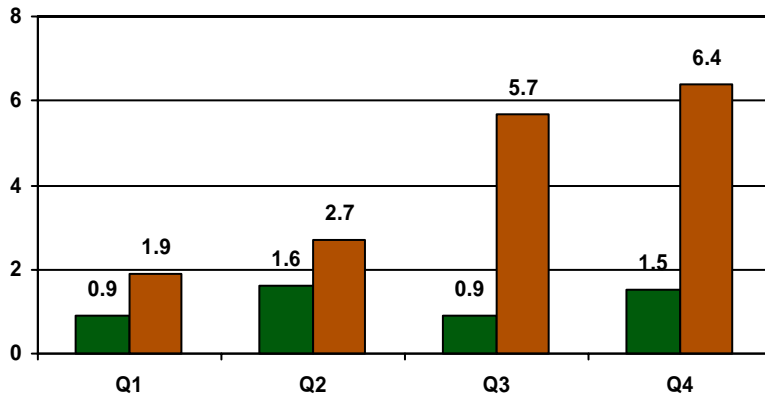
Turnover, EURm



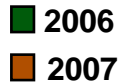
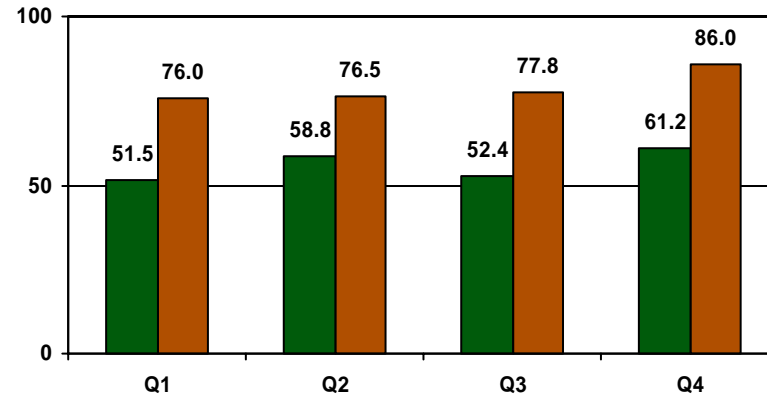
Operating result, EURm  
(excluding one-off items)



Investments, EURm



NAV, EURm



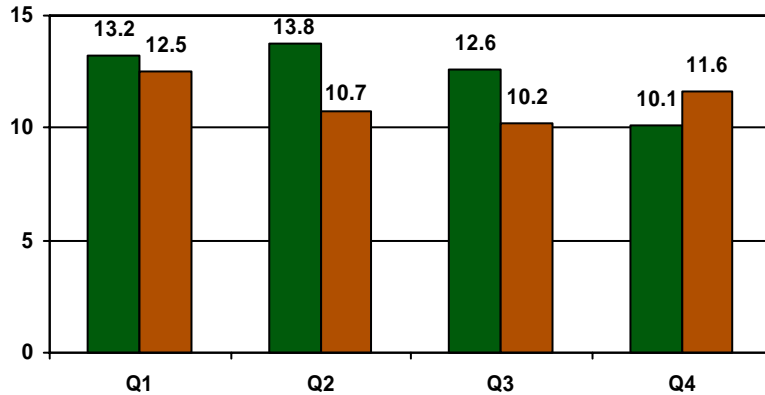
# Ingredients 2007

- Turnover EUR 44.9 million (EUR 49.7 million)
  - The drop resulted from seasonal volatility and decreased sales in Germany and France
- Operating result EUR 9.5 million (EUR 7.8 million)
  - Operating result remained over 20% of turnover
- Raisio regained plant stanol ester and Benecol brand rights from McNeil
  - Development of the business from a new starting point
- Partial cross-licensing with Unilever in plant sterol and stanol patents
- Test marketing of Benecol in India began

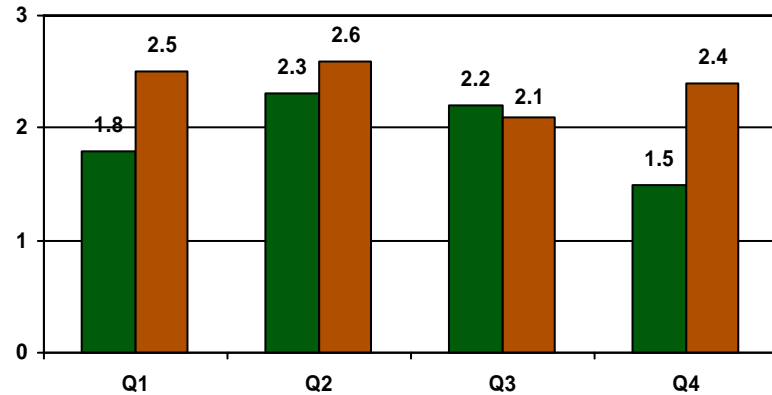


# Ingredients

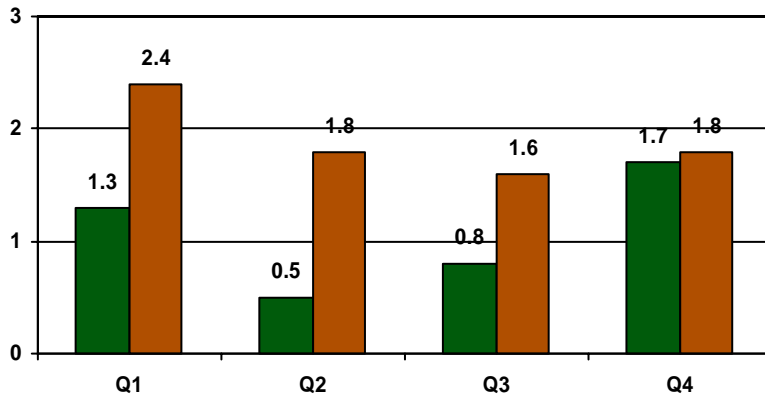
## Turnover, EURm



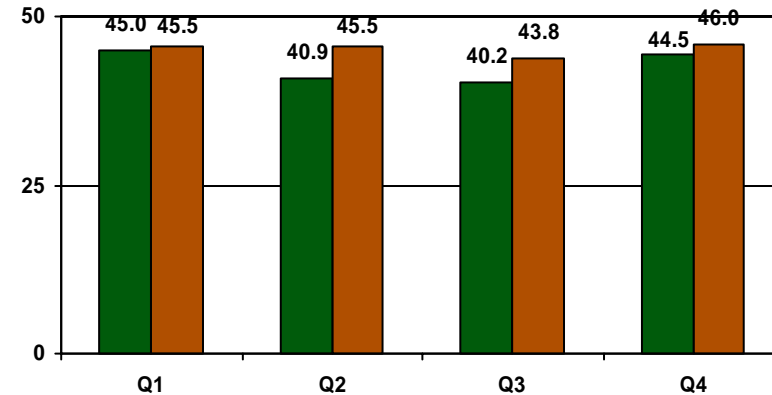
## Operating result, EURm



## Investments, EURm



## NAV, EURm



■ 2006  
■ 2007



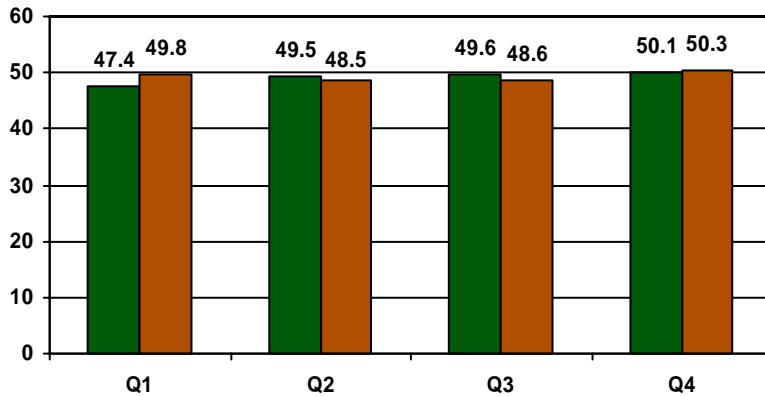
# Food 2007

- Turnover EUR 197.1 million (EUR 196.5 million)
  - Growth in the soy-oat business, the Finnish margarine business and Russian operations
  - Raisio divested unprofitable domestic bakery flour sales as well as cut overcapacity in Nokia mill
  - Number of stock keeping units (SKU) reduced in Finland by 30%
- Operating result excluding one-off items EUR -5,8 million (EUR -10.5 million)
- The improvement of profitability was slowed in all market areas by rapid and steep rise of grain raw material prices.
- New, flexible pricing model into use
- New brand portfolio introduced in Finland: from 16 to 3 brands

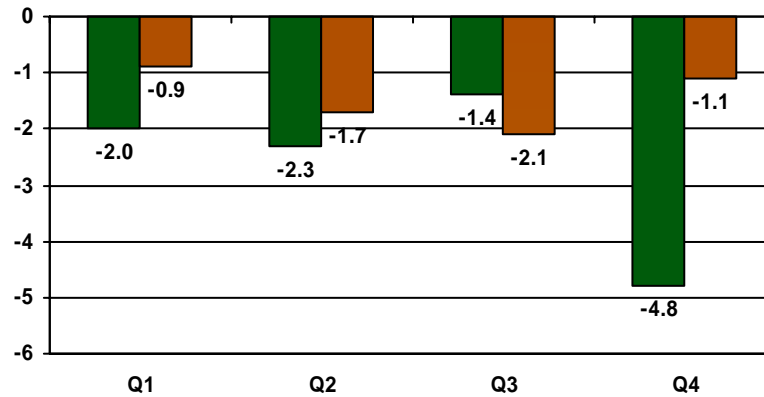


# Food

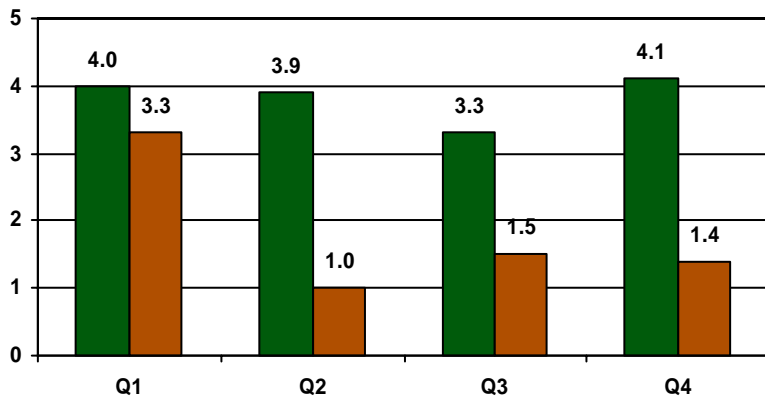
Turnover, EURm



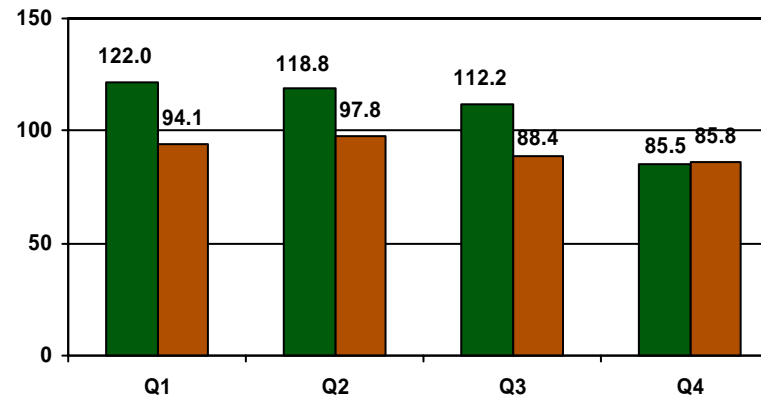
Operating result, EURm  
(excluding one-off items)



Investments, EURm



NAV, EURm



2006  
2007

# Outlook for 2008

- Turnover in 2008 is expected to increase and the operating result from continuing operations, excluding one-off items, is expected to improve from the previous year.
- All divisions are expected to post positive annual results although the pressure on profitability will increase in feed.
- The overall operating result in the Food Division is expected to be positive, but the target operating result rate of 5% will probably not be achieved due to investing in growth.
- The Ingredients Division is expected to increase turnover and improve profitability.

# Board's proposals to the Annual General Meeting

- Repurchase of company shares
  - Authority to the Board to acquire maximum of 6.000.000 free shares and maximum of 1.500.000 restricted shares which consists of 4.5% of the whole share capital
  - The company already has 5.1% on 31.12.2007
- To assign the company shares and to issue new shares
  - Authority to the Board
    - To assign the shares owned by the company and those to be purchased later
    - To issue 16.500.000 new free shares at the maximum
  - An instrument in acquisitions
  - Share-based incentive systems are one focus
- Amendment to the Articles of Association
  - The mention about food diagnostics equipment is removed from the definition of the line of business



Raisio is a forerunner and specialist in ecological, plant-based nutrition with leading brands.